Unaudited Condensed Interim Consolidated Financial Statements of

FORTUNE BAY CORP.

March 31, 2014

(Expressed in Canadian Dollars)

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that these condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

FORTUNE BAY CORP.

Unaudited Condensed Interim Consolidated Statements of Operations and Comprehensive Income (Loss)

Expressed in Canadian dollars	Three-month period ended March 31, 2014	Three-month period ended March 31, 2013
Operating expenses		
Amortization	$ 3,767	$ 9,467
General and administrative	14,827	28,187
Marketing and promotion	1,117	-
Regulatory fees	9,680	-
Management service fees	24,000	-
Professional service fees	18,879	13,652
Salaries and benefits	40,996	60,885
Share-based compensation	16,500	-
Total operating expenses	129,766	112,191
Other income (expenses)		
Foreign exchange gain (loss)	1,461	(2,545)
Gain on sale of assets held for sale	119,848	-
Interest	1,327	-
Loss on disposal of assets	(5,852)	(4,106)
Loss before income taxes	(12,982)	(118,842)
Income tax recovery (expense) (Note 13)	115,440	(37,800)
Net income (loss) for the period after income taxes	$102,458	$(156,642)
Other comprehensive income (loss)		
Unrealized gains (losses) on available-for-sale investments (Note 6)	345,000	(60,000)
Comprehensive income (loss) for the period	$447,458	$(216,642)
Earnings (loss) per share – basic and diluted	$ 0.00	$(0.01)
Weighted average number of common shares outstanding		
Basic	24,401,664	23,622,971

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Approved on behalf of the Board of Directors on May 12, 2014,

“David Peat” “Wade Dawe”

Director Director

FORTUNE BAY CORP.
Unaudited Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian dollars	March 31 2014	December 31 2013
Assets		
Current assets		
Cash and cash equivalents	$ 10,036,730	$ 63,686
Accounts receivable	27,287	19,441
Prepaid expenses and deposits	28,801	28,707
Investments (Note 6)	1,533,000	390,000
Assets held for sale (Note 8)	-	700,000
Total current assets	11,625,818	1,201,834
Reclamation deposit	37,210	36,677
Property and equipment (Note 7)	215,184	225,564
Exploration and evaluation assets (Note 9)	13,739,164	13,718,998
Total assets	$25,617,376	$15,183,073
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	$ 107,387	$ 161,935
Total current liabilities	107,387	161,935
Deferred tax liability	-	115,440
Total liabilities	107,387	277,375
Equity		
Shareholders' equity	25,509,989	14,905,698
Total equity	25,509,989	14,905,698
Total liabilities and equity	$25,617,376	$15,183,073

Commitments and contingencies (Note 18)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

FORTUNE BAY CORP.
Unaudited Condensed Interim Consolidated Statements of Changes in Equity

Expressed in Canadian dollars	Number of Common Shares	Common Shares	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Shareholders' Equity
Balance, January 1, 2013	-	$ -	$ -	$ 180,000	$54,010,605	$54,190,605
Net loss for the period	-	-	-	-	(156,642)	(156,642)
Other comprehensive loss for the period	-	-	-	(60,000)	-	(60,000)
Net contributions from parent	-	-	-	-	263,621	263,621
Balance, March 31, 2013	-	$ -	$ -	$ 120,000	$54,117,584	$54,237,584
Balance, January 1, 2014	1	$ 1	$ -	$ 30,000	$14,875,697	$14,905,698
Net income for the period	-	-	-	-	102,458	102,458
Other comprehensive income for the period	-	-	-	345,000	-	345,000
Net contributions from parent	-	-	-	-	163,186	163,186
Shares cancelled (Note 2)	(1)	(1)	-	-	-	(1)
Shares issued pursuant to the Master Reorganization (Note 2)	23,622,971	4,724,594	-	-	(4,724,594)	-
Shares issued pursuant to the Arrangement (Note 2)	2,595,643	519,129	9,480,871	-	-	10,000,000
Share issuance costs (Note 2)	-	(22,852)	-	-	-	(22,852)
Share-based compensation	-	-	16,500	-	-	16,500
Balance, March 31, 2014	26,218,614	$5,220,871	$9,497,371	$ 375,000	$10,416,747	$25,509,989

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

FORTUNE BAY CORP.
Unaudited Condensed Interim Consolidated Statements of Cash Flows

Expressed in Canadian dollars	Three-month period ended March 31, 2014	Three-month period ended March 31, 2013
Operating activities		
Net income (loss) for the period	$ 102,458	$(156,642)
Non-cash items:		
Amortization	3,767	9,467
Deferred income taxes	(115,440)	37,800
Gain on sale of assets held for sale	(119,848)	-
Loss on disposal of assets	5,852	4,106
Share-based compensation	16,500	-
Net change in non-cash working capital related to operations (Note 14)	(41,174)	(198,737)
Net cash used in operating activities	(147,885)	(304,006)
Investing activities		
Additions to exploration and evaluation assets	(19,405)	(102,579)
Net cash used in investing activities	(19,405)	(102,579)
Financing activities		
Net cash received upon completion of the Arrangement (Note 2)	10,000,000	-
Net contributions from parent	163,186	263,621
Share issuance costs associated with the Arrangement (Note 2)	(22,852)	-
Net cash provided by financing activities	10,140,334	263,621
Increase (decrease) in cash and cash equivalents	9,973,044	(142,964)
Cash and cash equivalents, beginning of period	63,686	197,374
Cash and cash equivalents, end of period	$ 10,036,730	$ 54,410

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS

Fortune Bay Corp. (the "Company" or "Fortune Bay") was incorporated on December 12, 2013 under the laws of the Canada Business Corporations Act as part of a Plan of Arrangement to reorganize Brigus Gold Corp. ("Brigus"), which was completed on March 5, 2014 (see Note 2) (the "Arrangement"). The Company commenced trading on March 17, 2014 under the symbol FOR (TSX).

The Company's principal activity is the acquisition, exploration and development of mineral interests. To date, the Company has not generated any revenues from operations and is considered to be in the exploration stage. The Company is incorporated and domiciled in Canada, and its head office is located at 1969 Upper Water Street, Suite 2001, Halifax, Nova Scotia, Canada.

The Company is in the process of exploring and evaluating its mineral properties in Canada and Mexico. The recoverability of amounts spent for the acquisition, exploration and development of the mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from disposition of the properties. The operations of the Company will require various licenses and permits from various governmental authorities which are or may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licenses and permits that may be required to carry out exploration, development, and mining operations at its projects. Failure to comply with these conditions may render the licenses liable to forfeiture.

These unaudited condensed interim consolidated financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. Continued operation of the Company is dependent on its ability to develop its exploration and evaluation assets, receive continued financial support, complete equity financings, or generate profitable operations in the future. These unaudited condensed interim consolidated financial statements do not include any adjustments to assets and liabilities should the Company be unable to continue as a going concern.

2. MASTER REORGANIZATION AND BASIS OF PRESENTATION

On March 5, 2014, Brigus, Primero Mining Corp ("Primero") and Fortune Bay completed the Arrangement, pursuant to which Primero acquired all of the issued and outstanding shares of Brigus by way of a court approved Plan of Arrangement which involved Brigus spinning out certain assets into Fortune Bay by way of an internal reorganization (the "Master Reorganization").

Pursuant to the Arrangement, Primero acquired Brigus' Black Fox mine and surrounding properties in Ontario, Canada. Assets spun out to Fortune Bay primarily consisted of the Goldfields Project in Saskatchewan, Canada, the Ixhuatán Project in Chiapas, Mexico and several properties in the Dominican Republic (together the "Brigus Exploration Properties"). As at December 31, 2013, the Dominican Republic properties were included in assets held for sale (see Note 8). The sale of the Dominican Republic properties was completed on March 19, 2014.

The consideration received by the shareholders of Brigus consisted of 0.175 of a common share of Primero, a nominal cash payment of $0.000001, and 0.1 of a common share of Fortune Bay for each common share of Brigus held. Brigus' outstanding options were exchanged for Primero options and were adjusted in accordance with their terms such that the number of Primero shares received upon exercise and the respective exercise prices reflect the exchange ratio described above. Brigus' outstanding warrants were not redeemed or exchanged as part of the Arrangement and continued to be governed by and subject to the applicable Brigus Warrant Indentures. The Brigus warrants were adjusted such that the number of Primero and Fortune Bay shares received upon exercise reflect the exchange ratio described above (see Note 11).

Pursuant to the Arrangement, Brigus subscribed for an additional 9.9% interest in Fortune Bay in consideration for a cash payment equal to $10 million, with the amount, if any, by which the cash subscription proceeds exceeded the fair market value of the Fortune Bay shares so issued being recorded as a contribution to the capital of Fortune Bay (see Note 11).

The carrying value of the net assets contributed to the Company pursuant to the Master Reorganization consisted of the following:

	$
Assets	
Cash	108,047
Accounts receivable	22,147
Prepaid expenses and deposits	20,057
Investments	840,000
Assets held for sale	700,000
Reclamation deposit	37,210
Property and equipment	225,564
Exploration and evaluation assets	13,729,241
Total Assets	**15,682,266**
Liabilities	
Accounts payable and accrued liabilities	61,996
Deferred tax liability	115,440
Total Liabilities	**177,436**
Carrying Value	**15,504,830**

An adjustment of $(4,724,594) was made through accumulated deficit to reconcile i) the allocated Brigus retained earnings, income and expenses, and other comprehensive income, which cumulatively amounted to $15,504,830 up to the close of the Master Reorganization; and ii) the carrying values of the net assets contributed and recorded under the continuity of interest accounting, to the common shares issued in connection with the closing of the Master Reorganization on March 4, 2014.

Basis of Presentation

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars and have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

As the shareholders of Brigus continued to hold their respective interests in Fortune Bay, there was no resulting change of control in either the Company or the business acquired. The Master Reorganization has thus been determined to be a common control transaction (capital reorganization), and is excluded from the scope of IFRS 3 (R), *Business Combinations*.

(expressed in Canadian dollars)

Prior to the date of the spin out, these unaudited condensed interim consolidated financial statements reflect the assets, liabilities, operations and cash flows of the assets and liabilities of the Brigus Exploration Properties on a 'carve-out' basis from the financial statements and accounting records of Brigus.

Under the continuity of interest accounting, the assets and liabilities transferred are recorded at their pre-transaction carrying values without fair value uplift. The unaudited condensed interim consolidated statements of comprehensive income (loss) include the allocated income and expenses from the acquired business. The income and expenses, where possible, have been allocated directly from Brigus, and all remaining income and expenses have been allocated on a pro-rata basis based on the level of exploration and evaluation activities for the period up to March 4, 2014, which was the basis for allocation in the carve-out financial statements of the carve-out entity. The carve-out entity, the Brigus Exploration Properties, did not operate as a separate legal entity and as such, the financial statements may not be indicative of the financial performance of the carved-out entity on a stand-alone basis and do not necessarily reflect what its results of operations, financial position and cash flows would have been had the carve-out entity operated as an independent entity during the periods prior to March 4, 2014.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these unaudited condensed interim consolidated financial statements, except as discussed below.

a) Statement of Compliance and Basis of Consolidation

The unaudited condensed interim consolidated financial statements of the Company and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Board of Directors approved the statements for issue on May 12, 2014.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2013 and the audited consolidated carve-out financial statements of the Exploration Properties Business of Fortune Bay for the years ended December 31, 2013, 2012 and 2011.

These unaudited condensed interim consolidated financial statements include certain assets, liabilities and results of operations of the Company, including the following subsidiaries:

Subsidiary	Principal Activity	Country of Incorporation
Brigus Gold ULC	Administrative services	Canada
7153945 Canada Inc.	Exploration	Canada
Linear Gold Holdings Corp.	Holding company	Canada
Linear Gold Mexico, S.A. de C.V.	Exploration	Mexico
Linear Gold Caribe, S.A. (see Note 8)	Exploration	Panama
Linear Gold Mineraçao Ltda.	Exploration	Brazil
Servicios Ixhuatán, S.A. de C.V.	Exploration	Mexico

The Company consolidates the wholly-owned subsidiaries on the basis that it controls these subsidiaries through its ability to govern their financial and operating policies.

b) Foreign Currency Translation

The Canadian dollar is the functional currency of the Company and all its subsidiaries, as this is the principal currency of the economic environment in which the Company operates.

Foreign currency transactions are translated as follows: (i) monetary assets and liabilities denominated in currencies other than the Canadian dollar are translated into Canadian dollars at the exchange rate prevailing at the statement of financial position date; (ii) non-monetary assets and liabilities denominated in foreign currencies and measured in terms of historic costs are translated using rates of exchange at the transaction dates; and (iii) non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated using the rates of exchange at the dates those fair values are determined.

c) Employee Benefits

The Company accrues liabilities for employee benefits such as wages, salaries, bonuses, and other benefits at their nominal amounts, as these are the amounts expected to be paid when the liabilities are settled.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

d) Income Taxes

Current income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in the statement of changes in equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The Company recognizes interest and penalties, if any, related to uncertain tax positions in income tax expense.

Deferred income taxes

Deferred income taxes are calculated using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside of profit or loss is recognized outside of profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

e) Long Lived Assets

Property and equipment

Property and equipment, excluding land, are recorded at cost less accumulated depreciation and accumulated impairment losses. Land is recorded at cost less accumulated impairment losses and is not depreciated. The initial cost of an asset is comprised of its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the reclamation obligation and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

The Company depreciates the cost of property and equipment over their estimated useful lives at the following annual rates:

Computer and office equipment	30% declining balance
Leasehold improvements	straight-line over the term of the related lease
Field equipment	25-30% declining balance

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Company and the costs can be measured reliably. This would include costs related to the refurbishment or replacement of major parts of an asset. Costs relating to the refurbishment of a major part are capitalized since the refurbishment will typically result in a significant extension in the physical life of that part. All other repairs and maintenance costs are charged to the statement of operations during the period in which they are incurred.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include costs such as exploratory drilling, sample testing and the costs of pre-feasibility studies. These costs are capitalized on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project. The technical feasibility and commercial viability of a project is considered to be determinable when the proposed efficiency and viability of project is assessed and the costs are expected to be recovered in full through the successful development and exploration of the identified property. All capitalized exploration and evaluation expenditures are monitored for indications of impairment, to ensure that commercial quantities of reserves exist or that exploration activities related to the property are continuing or planned for the future. If an exploration property does not prove viable, all unrecoverable costs associated with the project are expensed.

Exploration and evaluation assets are not depreciated. These amounts are reclassified from exploration and evaluation assets to mine development costs once the work completed to date supports the future development of the property and such development receives the appropriate approval. All subsequent expenditures to ready the property for production are capitalized within mine development costs, other than those costs related to the construction of property and equipment. Once production has commenced, all assets included in mine development costs are reclassified to mining properties.

Exploration and evaluation expenditures incurred prior to the Company obtaining the right to explore are recorded as expense in the period in which they are incurred.

Mineral rights

Mineral rights include the cost of obtaining unpatented and patented mining claims and the cost of acquisition of properties. Significant payments related to the acquisition of land and mineral rights are capitalized. If a mineable ore body is discovered, such costs are amortized when saleable minerals are produced from the ore body using the unit-of-production method based on proven and probable reserves. If no mineable ore body is discovered or such rights are otherwise determined to have no value, such costs are expensed in the period in which it is determined the property has no future economic value.

f) Impairment of Long Lived Assets

At the end of each reporting period, the Company reviews the carrying amounts of its long lived assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount of an asset is the higher of fair value less costs to dispose and value in use. Value in use is determined by discounting the estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of operations.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, however the revised carrying amount cannot exceed the asset's (or cash-generating unit's) original cost before impairment. A reversal of an impairment loss is recognized immediately in the statement of operations.

g) Non-current Assets Held for Sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to distribute. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and the following criteria have been met, the sale is highly probable, the asset is available for immediate sale in its present condition, management is committed to the sale, and the transaction is expected to be completed within one year from the date of classification.

Property and equipment classified as held for sale is not depreciated or amortized.

h) Cash and Cash Equivalents

Cash and cash equivalents consist of current operating bank accounts, term deposits and fixed income securities with an original term to maturity of 90 days or less. Cash equivalents are readily convertible into a known amount of cash and are subject to an insignificant risk of changes in value.

i) Other Income

Other income is recognized when it is probable that the economic benefits will flow to the Company and the amount can be measured reliably. Other income is recognized on an accrual basis.

j) Leases

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

k) Income per Share

Income per share is computed based on the weighted average number of common shares outstanding during the year. The Company follows the treasury method of calculating diluted earnings per share. This method assumes that any proceeds from the exercise of stock options and other dilutive instruments would be used to purchase common shares at the average market price during the year.

l) Share-based Payments

The Company has a share-based compensation plan. Awards of options under this plan are expensed based on the estimated fair value of the options at the grant date, with a corresponding credit to share-based compensation in shareholders' equity. Fair value is estimated using the Black-Scholes pricing model. If the options are subject to a vesting period, the estimated fair value is recognized over this period on a graded vesting basis, based on the Company's estimate of the shares that will eventually vest.

Option pricing models require the input of highly-subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, may not necessarily provide a reliable estimate of the fair value of the related stock options. The Company uses historical price data and comparable entities in the estimate of future volatilities.

Cash consideration received on exercise of options is credited to share capital together with the amounts originally recorded as share-based compensation related to the exercised options.

m) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are initially measured at fair value. Financial assets are classified into one of the following specified categories: fair value through profit or loss ("FVTPL"), held-to-maturity, available-for-sale ("AFS") and loans and receivables. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of operations.

The Company's financial instruments are classified and subsequently measured as follows:

Asset / Liability	**Classification**	**Subsequent Measurement**
Cash and cash equivalents	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Investments	Available-for-sale	Fair value through other comprehensive income
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

<u>Financial Assets</u>

Subsequent to initial recognition, financial assets held to maturity and loans and receivables are measured at amortized cost, AFS instruments are measured at fair value with unrealized gains and losses recognized in the statement of comprehensive income, and instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the statement of operations.

The fair value of financial instruments traded in active markets (such as FVTPL and AFS securities) is based on quoted market prices at the date of the statement of financial position. The quoted market price used for financial assets held by the Company is the current bid price.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

Financial Liabilities and Equity Instruments

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the statement of operations.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported on the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the unaudited condensed interim consolidated financial statements requires that the Company's management make estimates and judgments about future events that affect the amounts reported in the unaudited condensed interim consolidated financial statements and related notes to the unaudited condensed interim consolidated financial statements. Actual results may differ from those estimates. Estimates and judgments are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates are accounted for prospectively.

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

Recoverability of resource properties

At the end of each reporting period, the Company assesses each of its mineral resource properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. The impairment analysis requires the use of estimates and assumptions, such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value of mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. If the Company does not have sufficient information about a particular mineral resource property to meaningfully estimate future cash flows, the fair value is estimated by management through the use of, where available, comparison to similar market assets and, where available, industry benchmarks. Actual results may differ materially from these estimates.

Contingencies

Due to the nature of the Company's operations, various legal and tax matters are outstanding from time to time. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its financial statements on the date that such changes occur.

5. RECENT ACCOUNTING PRONOUNCEMENTS

The Company has adopted the following new standards effective January 1, 2014. These changes were made in accordance with the applicable transitional provisions.

IFRIC 21, *Levies*

In May 2013, the IASB issued IFRIC 21, *Levies*, ("IFRIC 21") an interpretation on the accounting for levies imposed by governments. IFRIC 21 is an interpretation of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37"). IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. There was no impact on the unaudited condensed interim consolidated financial statements upon the adoption of IFRIC 21.

IAS 32, *Offsetting Financial Assets and Financial Liabilities*

IAS 32, *Offsetting Financial Assets and Financial Liabilities*, ("IAS 32") was issued in December 2011 and amends the criterion for an entity being allowed to report financial assets and liabilities on a net basis. Retrospective application of this standard is effective for fiscal years beginning on or after January 1, 2014, with early adoption permitted. There was no impact on the unaudited condensed interim consolidated financial statements upon the adoption of IAS 32.

(expressed in Canadian dollars)

Future pronouncements:

IFRS 9, *Financial Instruments*

IFRS 9, *Financial Instruments* ("IFRS 9") introduces new requirements for the classification and measurement of financial assets. IFRS 9 requires all recognized financial assets that are within the scope of IAS 39, *Financial Instruments: Recognition and Measurement*, ("IAS 39") to be measured at amortized cost or fair value in subsequent accounting periods following initial recognition. Specifically, financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets, including equity investments, are measured at their fair values at the end of subsequent accounting periods.

Requirements for classification and measurement of financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 was amended in November 2013 to: (i) include guidance on hedge accounting, (ii) allow entities to early adopt the requirement to recognize changes in fair value attributable to changes in an entity's own credit risk, from financial liabilities designated under the fair value option, in other comprehensive loss, without having to adopt the remainder of IFRS 9, and (iii) remove the previous mandatory effective date for adoption of January 1, 2015, although the standard is available for early adoption. The Company is currently evaluating the impact of the adoption of this standard on the consolidated financial statements.

6. INVESTMENTS

	March 31 2014	December 31 2013
Available-for-sale investments	$1,533,000	$ 390,000

For the three-month period ended March 31, 2014, the Company has recognized an unrealized gain of $345,000 (2013 – unrealized loss $60,000) in the statement of comprehensive income relating to fair value adjustments associated with the AFS investments.

7. PROPERTY AND EQUIPMENT

	Land and building	Computer and office equipment	Field equipment	Total
Cost				
As at December 31, 2013	$164,233	$142,572	$91,543	$398,348
Additions	-	-	-	-
Disposals	-	(15,164)	-	(15,164)
As at March 31, 2014	$164,233	$127,408	$91,543	$383,184

(expressed in Canadian dollars)

	Land and building	Computer and office equipment	Field equipment	Total
Accumulated depreciation				
As at December 31, 2013	$ -	$91,642	$81,142	$172,784
Additions	-	3,767	761	4,528
Disposals	-	(9,312)	-	(9,312)
As at March 31, 2014	$ -	$86,097	$81,903	$168,000

	Land and building	Computer and office equipment	Field equipment	Total
Carrying amount				
As at December 31, 2013	$ 164,233	$ 50,930	$10,401	$225,564
As at March 31, 2014	$ 164,233	$ 41,311	$ 9,640	$215,184

For the three month period ending March 31, 2014, the Company has capitalized depreciation expenses totaling $761 (2013 - $1,086). The Company has made commitments to acquire property and equipment totalling $15.6 million at March 31, 2014.

8. ASSETS HELD FOR SALE

Pursuant to the Master Reorganization, the Company acquired all of the outstanding shares of Linear Gold Caribe, S.A., which held Brigus' interest in exploration properties located in the Dominican Republic (the "Concessions"). The Concessions were recorded as assets held for sale as at December 31, 2013 as they were subject to an option agreement between Brigus and Everton Resources Inc. ("Everton") through which Everton could acquire Linear Gold Caribe, S.A. in exchange for 3 million Everton shares. The option would then be exercisable upon the delivery of the following additional consideration:

- $0.175 million in cash (less withholding taxes) and an additional 1.2 million common shares of Everton;
- a sliding net smelter return royalty on the Concessions equal to 1.0% when the price of gold is less than US$1,000 per ounce, 1.5% when the price of gold is between US$1,000 and US$1,400 per ounce and 2% when the price of gold is above US$1,400 per ounce. The Company has assigned a value of $nil to the net smelter return royalty; and
- a promissory note equal to the greater of $5.0 million or 1 million common shares of Everton. The promissory note will be subject to the completion of a National Instrument ("NI") 43-101 compliant measured and indicated resource estimate on the Concessions of a minimum of one million ounces of gold equivalent (at an average grade of 2.5 grams per tonne ("gpt") or higher for Ampliación Pueblo Viejo and 1.5 gpt or higher for Ponton and La Cueva) or actual gold production from the Concessions plus a NI 43-101 compliant measured and indicated resource estimate on the Concessions (at an average grade of 2.5 gpt gold equivalent for APV and 1.5 gpt gold equivalent or higher for Ponton and La Cueva) exceeding one million ounces of gold equivalent. The Company has assigned a value of $nil to the promissory note.
- All share amounts have been adjusted for a 5:1 share consolidation completed by Everton on February 25, 2014.

For the three-month period ended March 31, 2014, the Company has recorded a gain on the sale of assets held for sale of $119,848 in the unaudited condensed interim consolidated statement of operations.

(expressed in Canadian dollars)

The sale was completed on March 19, 2014 upon receipt of final regulatory approval from the TSX. As at March 19, 2014, the Company recorded a balance of $798,000 on the statement of financial position in relation to the fair value of the common shares of Everton received as consideration, which the Company has classified as an available-for-sale financial investment.

As at March 31, 2014, the fair value of the Everton common shares owned by the Company was $693,000. For the three-month period ending March 31, 2014, the Company recorded an unrealized loss of $105,000 in the statement of operations and comprehensive income (loss) relating to fair value adjustments on the Everton common shares owned by the Company.

9. EXPLORATION AND EVALUATION ASSETS

	Goldfields	Ixhuatán	Total
Cost			
As at December 31, 2013	$11,613,208	$2,105,790	$13,718,998
Additions	20,166	-	20,166
Disposals	-	-	-
As at March 31, 2014	$11,633,374	$2,105,790	$13,739,164

Goldfields

As at March 31, 2014, the Company holds a 100% interest in the Goldfields property, which includes the Box Deposit, the Athona Deposit and several exploration targets.

Ixhuatán

As at March 31, 2014, the Company has a 100% interest in the Ixhuatán Project, which is located in the state of Chiapas, Mexico.

Huizopa

The Company has a 2% net smelter royalty over future production from the Huizopa Project, located in Mexico. The Company also has the right to a production bonus of US$4.0 million payable over two years from the date commercial production commences at Huizopa, as well as the right to 20% of the proceeds of disposal of Huizopa if it is disposed of prior to reaching commercial production. As at December 31, 2013, the Company recorded an impairment of $650,893 against the carrying value of the Huizopa property, which reduced its carrying value to $nil.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2014	December 31, 2013
Trade accounts payable and accrued liabilities	$ 99,887	$160,386
Amounts payable to related parties, including director fees	7,500	1,549
	$107,387	$161,935

(expressed in Canadian dollars)

11. SHARE CAPITAL

a) Common Shares

Authorized share capital of the Company consists of an unlimited number of fully paid common shares without par value.

	Number of shares	Amount
Outstanding, December 31, 2013	1	$ 1
Shares cancelled pursuant to the Arrangement (Note 2)	(1)	(1)
Shares issued pursuant to the Master Reorganization (Note 2)	23,622,971	4,724,594
Shares issued pursuant to the Arrangement (Note 2)	2,595,643	519,129
Share issue costs pursuant to the Arrangement (Note 2)	-	(22,852)
Outstanding, March 31, 2014	26,218,614	$5,220,871

Pursuant to the Master Reorganization on March 4, 2014, the Company issued 23,622,971 shares in exchange for the net assets received from Brigus. The balance of share capital immediately following the close of the Master Reorganization was $4,724,594. The amount was determined to be the value attributed to the net assets calculated in accordance with the Master Reorganization.

Pursuant to the Arrangement, Brigus subscribed for such number of additional Fortune Bay shares as would result in Brigus holding, after completion of the Arrangement and distribution of Fortune Bay shares to the Brigus shareholders, 9.9% of the outstanding Fortune Bay shares, in exchange for cash consideration totalling $10 million. As per the Arrangement, the amount, if any, by which the $10 million cash subscription proceeds exceeded the fair market value of the Fortune Bay shares so issued, as determined by the Master Reorganization, was to be recorded as a contribution to the capital of Fortune Bay. The amount allocated to share capital under the Arrangement was $519,129, with the balance of $9,480,871 allocated to contributed surplus.

Loss per share information in these unaudited condensed interim consolidated financial statements has been presented as if the common shares issued in connection with the closing of the Master Reorganization had been issued and outstanding from the start of all the periods presented.

b) Warrants

Prior to the Arrangement, two tranches of Brigus warrants were outstanding, BRD.WT.A and BRD.WT. The Brigus warrants were not redeemed as part of the Arrangement. The Brigus warrants continue to be governed by and subject to the applicable Brigus Warrant Indentures and were listed under the symbols, P.WT.A (formerly BRD.WT.A) and P.WT.B (formerly BRD.WT). Pursuant to the Arrangement, the A Warrants have been adjusted so that for each A Warrant exercised, the holder will be entitled to receive 0.175 of a Primero share and 0.1 of a Fortune Bay share for a price of $2.19 (of which Fortune would receive $0.27 and Primero the balance), and the B Warrants have been adjusted so that for each B Warrant exercised, the holder will be entitled to receive 0.2395 of a Primero share and 0.1369 of a Fortune Bay share for a price of $3.00 (of which Fortune would receive $0.37 and Primero the balance).

As at March 31, 2014, 8,764,725 P.WT.A warrants and 7,121,592 P.WT.B warrants are outstanding and exercisable. Both the A and the B warrants expire on November 19, 2014.

(expressed in Canadian dollars)

c) Stock Option Plan

The Company has adopted a stock option plan, providing the Board of Directors with the discretion to issue an equivalent number of options of up to 10% of the issued and outstanding share capital of the Company. Stock options are granted with an exercise price of not less than the closing share price the date preceding the date of grant.

The following table reconciles the stock options outstanding at the beginning and end of the period:

		March 31, 2014
	Number of options	Weighted average exercise price
Balance, beginning of period	-	$ -
Granted	1,500,000	0.30
Balance, end of period	1,500,000	$ 0.30

The following are the weighted average assumptions used in calculating the value of the stock options granted during the period:

	March 31, 2014
Risk-free interest rate	1.02%
Expected life	4.5 years
Expected volatility	119%
Expected dividend per share	$0.00
Weighted average fair value	$0.22

Expected volatility is based on the historical share price volatility over a period of time equivalent to the expected life of the grant. As at the date of grant, the Company did not have available historical share price volatility. Therefore, the volatility was estimated using the historical volatility of comparable entities.

The following table summarizes information relating to outstanding and exercisable stock options at March 31, 2014:

Expiry	Weighted average remaining contractual life (in years)	Number of options outstanding	Number of options exercisable	Weighted average exercise price
March 18, 2019	4.9	1,500,000	-	$0.30

As at March 31, 2014, 1,121,861 options were available to be granted under the stock option plan (2013 – nil). For the three-month period ended March 31, 2014, the estimated value of options earning during the period and recorded in the unaudited condensed interim consolidated statement of operations was $16,500 (2013 – $nil).

12. CONTRIBUTED SURPLUS

Balance, December 31, 2013	$ -
Issuance of share capital pursuant to the Arrangement (Note 2)	9,480,871
Value of stock options earned	16,500
Balance, March 31, 2014	$9,497,371

(expressed in Canadian dollars)

13. INCOME TAXES

	March 31 2014	March 31 2013
Current income tax expense	$ -	$ -
Deferred income tax (recovery) expense	(115,440)	37,800

The provision for income taxes reported differs from the amounts computed by applying the cumulative Canadian federal and provincial income tax rates to the net income before tax provision due to the following:

	March 31 2014	March 31 2013
Loss before income taxes	$ (12,982)	$(118,842)
Statutory rate	31%	31%
Tax recovery at statutory rate	(4,024)	(36,841)
Expense (recovery) for losses and deductible temporary differences not recognized in current and prior years	(119,331)	44,466
Permanent differences and other	7,915	30,175
Income tax (recovery) expense	$(115,440)	$ 37,800

14. SUPPLEMENTAL CASH FLOW INFORMATION

Net changes in non-cash operating working capital items are as follows:

	March 31 2014	March 31 2013
Accounts receivable	$ (10,999)	$ (9,318)
Prepaid expenses and deposits	(627)	7,256
Accounts payable and accrued liabilities	(29,548)	(196,675)
	$ (41,174)	$(198,737)

Non-cash transactions not reflected in the unaudited condensed interim consolidated statements of cash flows are as follows:

	March 31 2014	March 31 2013
Capitalized depreciation	$ 761	$ 1,086

15. RELATED PARTY TRANSACTIONS

There were no transactions with related parties outside the normal course of business operations during the period. Amounts payable to officers, directors and companies owned thereby were $7,500 as at March 31, 2014.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Capital Management

The primary objective of managing the Company’s capital is to ensure that there is sufficient available capital to support the long-term growth strategy of the Company in a way that optimizes the cost of capital and ensures the Company remains in sound financial position.

(expressed in Canadian dollars)

The capital of the Company consists of items included in equity, net of cash and cash equivalents as follows:

	March 31 2014	December 31 2013
Equity	$25,509,989	$14,905,698
Less: cash and cash equivalents	(10,036,730)	(63,686)
	$15,473,259	$14,842,012

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue equity or return capital to shareholders. No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2014.

b) Fair Values of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The carrying amounts reported in the statement of financial position for cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate fair values based on the immediate or short-term maturities of these financial instruments. The investments are carried at fair value on the statement of financial position. The following is a comparison of the carrying amounts and fair value of the Company's financial instruments:

	March 31, 2014		December 31, 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Cash and cash equivalents	$10,036,730	$10,036,730	$63,686	$63,686
Investments	1,533,000	1,533,000	390,000	390,000
Financial Liabilities				
Accounts payable and accrued liabilities	107,387	107,387	161,935	161,935

c) Financial Risk Management Objectives

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include market risk, credit risk, liquidity risk, currency risk, interest rate risk, and commodity price risk. Where material, these risks are reviewed and monitored.

d) Market Risk

Gold prices are affected by various forces, including global supply and demand, interest rates, exchange rates, inflation or deflation, and worldwide political and economic conditions. The viability of the Company is related to the market price of gold.

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

(expressed in Canadian dollars)

e) Credit Risk

Credit risk on financial instruments arises from the potential for counterparties to default on their obligations to the Company.

The Company's maximum exposure to credit risk is represented by the carrying amount of the Company's cash and cash equivalents and accounts receivable. Cash and cash equivalents are placed with high-credit quality financial institutions. The fair value of accounts receivable approximates carrying value due to their relatively short periods to maturity. There are no material financial assets that the Company considers to be past due.

At each reporting date, the Company assesses whether there has been an impairment of financial assets. The Company has not recorded an impairment on any financial assets during the three-month period ended March 31, 2014.

f) Liquidity Risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditures, which are adjusted as input variables change. These variables include, but are not limited to, funding requirements of exploration and evaluation assets, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing.

Accounts payables and accrued liabilities are paid in the normal course of business generally according to their terms.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's financial liabilities. The amounts included in this table may not result in an actual obligation of the Company, as the requirement to settle certain of these amounts is contingent on the occurrence of certain events that may or may not transpire:

	Payments due by period as of March 31, 2014				
	Within 1 year	2-3 years	4-5 years	Over 5 years	Total
Accounts payable and accrued liabilities	$ 107,387	$ -	$ -	$ -	$ 107,387
Operating lease obligations	115,989	235,515	209,184	-	560,688
Contractual commitments (Note 18)	15,557,038	-	-	-	15,557,038
	$15,780,414	$235,515	$209,184	$ -	$16,225,113

g) Currency Risk

The Company is exposed to currency risk on its United States dollar and Mexican peso cash, accounts receivable and accounts payable and accrued liabilities, in addition to certain of its operating costs. For the three-month period ended March 31, 2014, changes in the exchange rate between the aforementioned currencies and the Canadian dollar would not have impacted the Company's net income by a material amount as the balance of funds held, receivable, or owing in these currencies was not material. The currency risk is minimal, therefore the Company does not hedge its currency risk.

(expressed in Canadian dollars)

h) Fair Value Measurements Recognized in the Statement of Financial Position

The Company has certain financial assets and liabilities that are held at fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

At March 31, 2014, the levels in the fair value hierarchy into which the Company's financial assets and liabilities are measured and recognized on the unaudited condensed interim consolidated statement of financial position at fair value are categorized as follows:

			March 31, 2014
	Level 1 Input	Level 2 Input	Level 3 Input
Financial Assets			
Investments	$ 1,533,000	$ -	$ -

There were no transfers between levels during the period.

17. SEGMENT INFORMATION

The Company owns the Goldfields Project in Canada and the Ixhuatán Project in Mexico. The segments are determined on a property by property basis and therefore the Company's operating segments are represented by geography. No properties are currently in production.

	Canada	Mexico	Dominican Republic	Total
As at March 31, 2014				
Assets held for sale	$ -	$ -	$ -	$ -
Property and equipment	215,184	-	-	215,184
Evaluation and exploration assets	11,633,374	2,105,790	-	13,739,164
	$11,848,558	$ 2,105,790	$ -	$13,954,348
Capital expenditures	$ 20,166	$ -	$ -	$ 20,166

	Canada	Mexico	Dominican Republic	Total
As at December 31, 2013				
Assets held for sale	$ -	$ -	$ 700,000	$ 700,000
Property and equipment	225,564	-	-	225,564
Evaluation and exploration assets	11,613,208	2,105,790	-	13,718,998
	$11,838,772	$ 2,105,790	$ 700,000	$14,644,562

18. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. The Company conducts its operations so as to protect public health and the environment and it believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company is from time to time involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have a material effect on the financial conditions or future results of operations of the Company.

Certain of the Company's exploration and evaluation properties are subject to royalty obligations based on mineral production from the properties. Royalty obligations for the Goldfields Project may arise once the property enters production.

As at March 31, 2014, the Company had approximately $15.6 million of contractual commitments for the development of the Goldfields Project.

19. SUBSEQUENT EVENTS

On April 1, 2014, the Company completed a non-brokered flow-through financing for aggregate gross proceeds of $450,000. The Company issued 1,607,144 units at an issue price of $0.28 per unit, with each unit consisting of one flow-through common share of the Company and one half of one warrant. Each whole warrant will be exercisable into a common share of the Company at an exercise price of $0.30 per share for a period of three years. Insiders of the Company subscribed for all units of the financing.

All securities issued pursuant to the flow-through financing are subject to a statutory four-month holding period in accordance with Canadian securities legislation.